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U. S. DEPT. OF AGR.
NATIONAL ANIMAL INDUSTRY

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA 6 1969
September 1967

Volume 12

CURRENT SERIAL RECORDS

Number 2

Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - SEPTEMBER 1967

The Chattanooga Order MINIMUM uniform producer price is \$5.71 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.4 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 5 cents above September 1966 Order producer price of \$5.66.

In September 1967, 81.0% of the producer milk received by pool plants was priced in Class I at \$6.16 per cwt. and 19.0% was priced in Class II at \$3.97 per cwt. The September butterfat differential for Class I was 8.7 cents and Class II was 7.7 cents.

Total producer milk received during September 1967 was 17,874,145 pounds which is a decrease of 663,306 pounds or 3.6% compared with September 1966. The September daily average deliveries per farm from 551 producers was 1,081 pounds. This compares to 591 farms delivering a daily average of 1,046 pounds per day during September 1966.

PRODUCER MILK BASES

Producers supplying milk to handlers regulated by the Chattanooga Order began forming new bases September 1, 1967. The BASE-FORMING PERIOD IS SEPTEMBER 1967 THROUGH JANUARY 1968. According to the base rules of the Chattanooga Order, each producer delivering milk during the base-forming period will have a base computed as follows: Divide the total deliveries made by each producer during the base-forming period (Sept. 1967 through Jan. 1968) by the number of DAYS FOR WHICH DELIVERY IS MADE, OR BY 120, WHICHEVER IS GREATER. Bases will be used during the 1968 base-operating period of March through July 1968. Producers, especially partners, should take precaution to see that their name is correctly listed with the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION

January thru September

1967	Producer Milk	160,743,153 lbs.	down 6.2% from 1966
1966	Producer Milk	171,318,715 lbs.	
1967	Gross Class I	135,766,371 lbs.	down 3.2% from 1966
1966	Gross Class I	140,199,142 lbs.	
1967	Gross Class II	45,491,876 lbs.	up 9.9% from 1966
1966	Gross Class II	41,389,238 lbs.	

0 25 50 75 100 125 150 175

(Million Pounds)

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Sept. '67 over Sept. '66	Sept. 1967 8	Aug. 1967 8	Sept. 1966 9
Number of Plants (Pool and Non-Pool)				
RECEIPTS POUNDS (DAILY AVERAGE)				
Producer Milk	- 3.6	595,805	562,511	617,915
Other Source	+ 41.7	21,471	19,838	15,151
Other Federal Orders	+ 96.9	71,605	45,644	36,374
TOTAL MILK RECEIPTS	+ 2.9	688,881	627,993	669,440
UTILIZATION POUNDS (DAILY AVERAGE)				
Class I Uses				
Homo Milk	- 0.9	390,424	344,994	394,031
Regular Skim	+ 12.5	17,900	16,446	15,906
Special Skim - (2% Milk)	+ 62.3	35,245	32,878	21,715
Buttermilk	+ 7.2	42,245	40,162	39,418
Flavored Milk and Drink	+ 0.6	14,167	14,265	14,080
Creams (Sweet and Sour)	+ 10.2	2,800	2,920	2,540
Sub-Total - Pkg. Products (Pool Plants)	+ 3.1	502,781	451,665	487,690
Other (Shrinkage, Inventory, etc.)		3,486	2,899	5,608
Sales to Non-Pool Plants		31,849	13,604	75,747
In-Area Sales by Non-Pool Plants		1,689	1,356	4,677
TOTAL CLASS I MILK	- 5.9	539,805	469,524	573,722
Class II Uses - Pool Plants				
Ice Cream Mixes	+ 18.7	45,343	51,578	38,213
Cottage Cheese	+ 2.1	31,375	31,335	30,731
Powdered and Condensed Milk		11,273	22,446	4,899
Livestock Feed and Skim Dumped		5,997	5,691	5,461
Sub-Total - Used to Produce	+ 18.5	93,988	111,050	79,304
Shrinkage Class II		9,585	10,219	9,898
Other (Inventory Variation, etc.)		(6,558)	7,269	(13,436)
Bulk Sales to Non-Pool Plants		52,061	29,931	19,952
TOTAL CLASS II MILK	+ 55.7	149,076	158,469	95,718
Class I Pounds in Area - Pool Plants	- 5.1	297,627	270,116	313,776
Class I Pounds Out of Area - Pool Plants	- 5.8	240,489	198,052	255,269
Class I Pounds in Area - Non-Pool Plants		1,689	1,356	4,677
% Producer Milk of Gross Class I		110.4	119.8	107.7
% Producer Milk Priced in Class I		81.0	75.9	88.8

CLASS I MINIMUM PRICE COMPUTATIONS INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Oct. '67	Sept. '67	Oct. '66
Per § 1090.51(a) Amended			
Basic Formula	\$4.05	\$4.05	\$4.34
Plus Class I Differential $\frac{1}{2}$	1.95	1.95	1.75
Supply-Demand Adjustment	(0.02)	0.16	(0.08)
Class I Price, 3.5% Butterfat	\$5.98	\$6.16	\$6.01

OCTOBER 1967

Supply-Demand Comparison: 2nd and 3rd preceding months: July and August

Supply: Lbs. Producer Milk (July 17,250,836 and Aug. 17,437,827) 34,688,663

Demand: Lbs. Net Class I Milk (July 14,445,999 and Aug. 14,513,212) 28,959,211

Utilization Percentage: Producer milk divided by Class I 120

Standard Utilization Percentage: Range 115-119 119

Net Deviation Percentage: Utilization minus Standard Utilization Plus 1

Supply-Demand Adjustment: 2 cents x 1 percentage point Minus \$0.02

$\frac{1}{2}$ Increased 20 cents - May 1967 through April 1968.

COMPUTATION OF PRODUCER UNIFORM PRICE

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SEPTEMBER 1967	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		16,194,156	3.442		
Less Other Source		1,721,006	3.183		
Producer Milk Class I	81.0	14,473,150	3.473238	\$6.136717	\$ 888,176.26
Gross Class II		4,472,264	5.337		
Less Other Source		1,071,269	3.332		
Producer Milk Class II	19.0	3,400,995	5.968812	5.870985	199,671.91
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	17,874,145	3.948083		1,087,848.17
Add Fractional Adjustment					.10
Add Value of Overage					813.44
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		273,984			12,593.15
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					6,726.41
TOTAL VALUE AT TEST		18,148,129	3.914183	6.105209	1,107,981.27
Less Test over 3.5% @ 8.4¢ per point		18,148,129	.414183	.347914	63,139.88
TOTAL UTILIZATION VALUE AT 3.5%		18,148,129	3.5	5.757295	1,044,841.39
Less Producer-Settlement Fund Reserve		18,148,129		.047295	8,583.16
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,148,129	3.5	\$5.71	\$1,036,258.23

 SEPTEMBER 1967 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.29	3.6	\$5.794	4.2	\$6.298	4.8	\$6.802	5.4	\$7.306
3.05	5.332	3.65	5.836	4.25	6.34	4.85	6.844	5.45	7.348
3.1	5.374	3.7	5.878	4.3	6.382	4.9	6.886	5.5	7.39
3.15	5.416	3.75	5.92	4.35	6.424	4.95	6.928	5.55	7.432
3.2	5.458	3.8	5.962	4.4	6.466	5.0	6.97	5.6	7.474
3.25	5.50	3.85	6.004	4.45	6.508	5.05	7.012	5.65	7.516
3.3	5.542	3.9	6.046	4.5	6.55	5.1	7.054	5.7	7.558
3.35	5.584	3.95	6.088	4.55	6.592	5.15	7.096	5.75	7.60
3.4	5.626	4.0	6.13	4.6	6.634	5.2	7.138	5.8	7.642
3.45	5.668	4.05	6.172	4.65	6.676	5.25	7.18	5.85	7.684
3.5	5.71	4.1	6.214	4.7	6.718	5.3	7.222	5.9	7.726
3.55	5.752	4.15	6.256	4.75	6.76	5.35	7.264	5.95	7.768

MILK SAMPLES TESTED - Producer Fresh Samples 4,447 - Handler Finished Products 163.

SEPTEMBER 1967 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$ 1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	71.2	502,687	\$0.87	\$437,337.69
Class II	28.8	202,999	0.77	156,309.23
Total	100.0	705,686		\$593,646.92

Total Butterfat Value + Total Producer fat pounds = \$0.841234

 Producer Butterfat Differential per point variation above or
 below 3.5 percent - - - - - \$0.084

 The producer butterfat differential is used to adjust the producer uniform price
 announced at 3.5% to the various tests as shown in the above table.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept.'66	\$5.66	-	-	9.4¢	\$5.87	9.5¢	\$4.25	8.6¢
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	5.68	-	-	8.6	6.09	8.9	3.95	7.8
Dec.	5.65	-	-	8.4	6.07	8.8	3.90	7.6
Jan.'67	5.62	-	-	8.2	6.09	8.6	3.90	7.6
Feb.	5.50	-	-	8.2	6.05	8.6	3.37	7.6
Mar.	5.36 ^{2/}	\$5.54	\$3.33	8.2	5.92	8.6	3.37	7.6
Apr.	5.19 ^{2/}	5.45	3.31	8.2	5.94	8.6	3.35	7.6
May	5.33 ^{2/}	5.54	3.32	8.2	6.00	8.6	3.36	7.6
June	5.47 ^{2/}	5.68	3.33	8.2	6.16	8.6	3.37	7.6
July	5.56 ^{2/}	5.76	3.33	8.2	6.24	8.6	3.37	7.6
Aug.	5.67	-	-	8.4	6.24	8.6	3.97	7.7
Sept.	5.71	-	-	8.4	6.16	8.7	3.97	7.7
Oct.	-	-	-	-	5.98	8.7	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi.92° Butter	Minn/Wisc. Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	\$-cwt-3.5%	Lbs.	Test-%	Lbs.	Test-%
Sept.'66	74.88	4.34	4.34	549,013	3.58	68,902	6.92
Oct.	68.80	4.26	4.26	499,096	3.65	86,340	7.07
Nov.	67.70	4.15	4.26 ^{4/}	474,427	3.56	90,840	7.53
Dec.	66.49	4.14	4.26 ^{4/}	476,665	3.59	98,955	7.27
Jan.'67	66.47	4.08	4.26 ^{4/}	468,006	3.54	113,708	6.97
Feb.	66.47	4.02	4.15 ^{4/}	451,595	3.50	107,190	6.89
Mar.	66.46	4.01	4.15 ^{4/}	477,073	3.49	125,680	6.04
Apr.	66.45	3.98	4.05 ^{4/}	463,179	3.50	180,580	4.97
May	66.47	3.96	4.05 ^{4/}	458,593	3.51	152,870	5.28
June	66.47	3.96	4.05 ^{4/}	444,378	3.46	140,548	5.30
July	66.47	3.95	4.05 ^{4/}	427,640	3.50	128,838	5.27
Aug.	67.07	3.97	4.05 ^{4/}	427,213	3.49	135,298	5.13
Sept.	67.13	3.97	4.05 ^{4/}	482,438	3.47	113,367	5.97

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Sept.'66	9	669,440	573,722	591	617,915	-	3.95	1,046	-	-
Oct.	9	641,779	534,469	575	585,436	-	4.15	1,018	-	-
Nov.	9	621,225	507,725	571	565,267	-	4.20	990	-	-
Dec.	10	642,424	511,500	572	575,620	-	4.22	1,006	-	-
Jan.'67	9	645,961	508,383	568	581,714	-	4.21	1,024	-	-
Feb.	9	623,312	489,998	550	558,785	-	4.15	1,016	-	-
Mar.	9	680,040	518,872	562	602,753	554,123	4.02	1,073	986	87
Apr.	9	721,150	500,924	555	643,759	566,415	3.91	1,160	1,021	139
May	9	686,775	497,821	552	611,463	553,010	3.96	1,108	1,002	106
June	8	674,624	483,482	552	584,926	533,490	3.90	1,060	967	93
July	8	625,871	467,337	549	556,478	510,262	3.91	1,014	930	84
Aug.	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-
Sept.	8	688,881	539,805	551	595,805	-	3.95	1,081	-	-

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Basic Formula "floor" per Order Amendments